MARYLAND HEALTH CARE COMMISSION

UPDATE OF ACTIVITIES

December 2004

DATA SYSTEMS & ANALYSIS

Maryland Trauma Physician Services Fund

MHCC continued to pursue its provider awareness plan during November. Staff conducted education and awareness training sessions for billing and practice managers at Prince George's Hospital Center and Robinwood Medical Center. A third session is scheduled in early January at Peninsula Regional Medical Center in Salisbury. At these meetings, staff reviewed Medicaid and the HealthChoice billing procedures, uncompensated care application procedures, and on-call application requirements.

Staff presented the results from the Fund's first year of operation at TraumaNet's quarterly meeting in November. At the conclusion of the meeting, a number of representatives of practices raised questions regarding Medicaid's reimbursement procedures under the Trauma Fund. Staff worked with representatives from Medicaid to address trauma physicians' concerns regarding some discrepancies in coding Medicaid trauma claims and staggered implementation dates by the managed care organizations (MCOs). As a result of the meeting, MHCC and Medicaid plan to develop a Trauma billing information guide in December. MHCC issued a provider information bulletin (PIB) in November that clarified the rules for claiming reimbursement for anesthesia services in 2005 when an anesthesiologist supervises one certified registered nurse anesthetist (CRNA).

In another outreach effort, staff cross-referenced uncompensated care claims against the MHCC trauma physician roster database to identify those trauma physicians that did not submit an uncompensated care application during the first year. In December, staff plans to remind these trauma physicians about the availability of funding for uncompensated trauma care. The trauma physician roster maintained at MHCC contains more than 600 physicians; however, approximately 200 have submitted applications for funds.

Clifton-Gunderson, LLC, the Fund auditor, selected ten faculty and physician practices for the next series of uncompensated care application audits. The auditor is preparing to review a select number of applications submitted to the Fund in July 2004 for the reporting period April 1 through June 30, 2004. The audits will be completed in January 2005.

The trauma fund has a total balance of $10,102,318, which takes into account the monies disbursed during the first and second reporting periods. The next uncompensated care and on-call applications are due on January 31, 2005 for services provided in the last half of 2004.

Data Base and Software Development

Medical Care Data Base Notification to Payers
Staff identified payers required to submit professional claims and prescription drug data under COMAR 10.25.06 in 2005. Forty-five payers had health care premiums over $1 million in 2004.

MHCC will send written notification to these payers advising them of the reporting requirements in January. Sixteen payers were eliminated from reporting because they do not generate health care claims or because they sell types of insurance products that are not covered under the regulations. Table 1 lists the payers that will report on 2005 services.

Table 1 2005 MCDB PAYERS REPORTING IN JUNE 2006	
Aetna	Graphic Arts Benefit Corporation
Aetna Life and Insurance Company	Great-West Life & Annuity Insurance Company
Aetna U.S. Healthcare, Inc.	Guardian Life Insurance Company of America
Corporate Health Insurance Company	Kaiser Permanente Insurance Company
American Republic Insurance Company	Mega Life & Health Insurance Company
CareFirst	State Farm Mutual Automobile Insurance Co
CareFirst BlueChoice, Inc.	Trustmark Insurance Company
CareFirst of Maryland, Inc.	**Anthem -** Unicare Life & Health Insurance Co
Delmarva	Union Labor Life Insurance Company
Group Hospitalization & Medical Services, Inc.	**United Health Group**
CIGNA	Fidelity Insurance Company
Cigna Healthcare Mid-Atlantic, Inc.	United Healthcare Insurance Company
Connecticut General Life Insurance Company	United Healthcare of the Mid-Atlantic, Inc.
Coventry Health Care of Delaware Inc	MAMSI Life and Health
Coventry Health Care of Delaware Inc	MD-Individual Practice Association, Inc.
First Health Life & Health Insurance Company	Optimum Choice
Fortis Insurance Company	Golden Rule

Software Development Board of Pharmacy – Web-Based Renewal Initiatives
The Board of Pharmacy and MHCC have completed the beta test of the revised Bank of America (BOA) payment interface. BOA staff requested a copy of the interface code used by MHCC in order to provide it to other state agencies. The Board of Pharmacy is one of the first agencies in Maryland government to migrate to the new interface.

Ambulatory Surgical Survey
This division's staff worked with the Health Resources staff to review and evaluate data reported in the Freestanding Ambulatory Surgery Databases from 1999 – 2003. Staff members are in the planning stages for the January Ambulatory Surgical Survey and are meeting with Health Resources staff to finalize specifications of the 2005 survey.

Cost and Quality Analysis

Partnership with DHMH's Diabetes Prevention & Control Program (DPCP)
MHCC's collaboration with DHMH's Center for Preventive Health Services, Division of Diabetes Prevention and Control (DPC), to construct baseline measures for diabetes prevalence and treatment among Maryland Medicare beneficiaries is in its final stages. A four-page issue brief, *Trends in Diabetes Prevalence and Care among Medicare Beneficiaries in Maryland - 2002* will provide an overview of the project and a summary of the results. The issue brief will

be printed and distributed by DPC staff to members of the newly-formed Maryland Diabetes Prevention and Control Coalition, as well as other interested parties. The technical report, *Diabetes Prevalence, Outcomes, and Preventive Services Among Maryland Medicare Beneficiaries, 2002* includes detailed tables and county-level maps, as well as a description of the study methodology. It will be posted on both the MHCC and the DHMH websites.

When compared to other state estimates for earlier time periods, the results for 2002 suggest that the prevalence of diabetes is increasing among Maryland Medicare beneficiaries, consistent with the trend nationwide. In 2002, almost 17% of Medicare fee-for-service (FFS) beneficiaries had diabetes. Among the preventive services evaluated in the study, utilization of recommended annual services ranged from 81% of diabetic beneficiaries getting an HbA1c test (the Healthy People 2010 goal for this service is 50%) to 51% getting a dilated eye exam (the Healthy People 2010 goal is 75%) to just 19% receiving a microalbuminuria test. Compared with previous estimates of preventive service use by Maryland beneficiaries obtained from the Centers for Medicare & Medicaid Services, use of most prevention measures – except dilated eye exams – increased in 2002. The use-rate for dilated eye exams increased from 1992 to 1997, but then began to decline. This decrease is also evident in self-reported rates in Maryland's BRFSS (Behavioral Risk Factor Surveillance System) survey, but it is inconsistent with the national trend for eye exams and the reason for it is undetermined. Rates of adverse outcomes, such as end-stage renal disease (ESRD), lower-limb amputation, and hospitalizations for complications of diabetes and uncontrolled diabetes were also measured. In 2002, about 3% of beneficiaries with diabetes had ESRD compared to about 1% of all beneficiaries.

The study also examined differences in the measures by demographic characteristics in order to help the state develop targeted interventions to increase the provision of services and reduce diabetes prevalence and complications among high-burden groups. The 2002 results suggest that African Americans, Medicaid enrollees, and beneficiaries qualifying for Medicare as disabled are disproportionately burdened by diabetes. These groups tend to have higher prevalence rates, lower use of preventive services, and a greater likelihood of complications. Prevalence of diabetes was highest among beneficiaries aged 55 to 64 (25%), and beginning with ages 70-74 (18%) declined steadily. Among African Americans, prevalence was 23%, compared to 19% in Asians, 18% in Hispanics, and 15% in Whites. There are noticeable income (per capita personal income, or PCPI) and regional patterns in diabetes prevalence across the state, but the patterns for preventive services and adverse outcomes are less clear. The proportion of beneficiaries with diabetes ranged from 13% to 21%. Prevalence is generally highest in the counties with the lowest PCPIs, which include western counties (Allegany and Garrett), southern Eastern Shore counties (Somerset, Caroline, Dorchester, and Wicomico) and Baltimore City. St. Mary's, which also has a high prevalence, does not; however, have a similarly low PCPI. Conversely, the lowest prevalence rates generally occur in counties with the highest PCPIs, Montgomery, Howard, Talbot, Baltimore, and Carroll, of which most are suburban. In spite of having a relatively high PCPI, Queen Anne's prevalence rate falls in the middle of the counties. Staff plans to present the results of this study to the Commission at its meeting in February.

State Health Care Expenditures

Commission staff is preparing the report, *State Health Care Expenditures 2003* for release at the January meeting. The report will show that the rate of growth in health care expenditures slowed in 2003. Most major service categories grew at rates of between 5 and 10 percent with physician services and prescription drugs growing at the fastest rates. Other professional services, such as services provided by non-physicians and in various freestanding settings, grew more, at just over 5 percent. Among smaller service categories, home health expenditures grew rapidly, but nursing home services grew slowly. These results are consistent with Medicaid initiatives aimed at

providing services in community-based settings. Payers' administrative expenses, including claims processing and marketing support, and the net cost of insurance grew more rapidly in 2003 than in previous years. Payer surpluses (the difference between total medical and administrative expenses and what is collected in premiums) will be the subject of a spotlight summary that will be released with the report.

The staff will release a draft of the report to the Commissioners shortly after the December meeting. As mentioned above, a presentation on the results of this analysis will be made in January.

EDI Programs and Payer Compliance

HIPAA Awareness
Last month, staff posted the *MHCC Security Assessment Guide* on the MHCC Web site. The guide is intended to educate practitioners on security requirements, serve as a source of information for completing a gap assessment, and aid in the development of practice policies and procedures. An interactive version of the guide will be available to practitioners in late December. Staff is currently soliciting feedback from the participants of its EDI/HIPAA Workgroup in developing additional educational tools aimed at implementing the unique health identifier regulations which are effective on May 23, 2005.

MHCC's HIPAA education and awareness initiatives continued throughout November. During the month, staff provided support to the following organizations:

- Maryland Association of Independent Billers
- Professional Association of Health Care Office Management
- Washington County Practice Administrators
- Montgomery County Medical Society
- Western Maryland Dental Association
- St. Agnes Hospital Practice Managers
- JAI Medical
- Southern Maryland Hospital

EDI Progress Report
Staff completed the final draft of the *2004 EDI Progress Repor*t which will be presented at the December Commission meeting and released to the public later in the month. The report is based on information submitted by payers in compliance with COMAR 10.25.09. The regulation requires most payers doing business in the state to annually report on its share of electronic health care transactions, as well as to designate at least one MHCC-certified EHN. In November, staff identified those payers that will be required to submit an EDI progress report in 2005. Staff intends to notify payers in December of their 2005 reporting requirements. Next year will be the first year that all the MCOs will comply with COMAR 10.25.09. During the past month, staff provided the MCOs with training on completing the EDI progress report.

E-Scripting Initiative
Staff will present to the Electronic Healthcare Network Accreditation Commission (EHNAC) the proposed accreditation criteria for e-script Networks at its December meeting in Chicago, Illinois. More than twenty-three industry representatives, along with the EDI/HIPAA Workgroup participants, contributed to the development of the e-script network accreditation criteria. Presently, three e-script networks are operating in Maryland and will need to be certified once the

criteria are finalized. These networks plan to seek EHNAC accreditation/MHCC-certification upon adoption of the criteria by these organizations.

Last month, staff participated in the Maryland Safety through Electronic Prescribing Initiative (STEP) communication and outreach workgroup. The STEP workgroup is focusing on expanding the use of EDI through electronic prescribing as a way to reduce administrative costs and boost patient safety. At its November meeting, the STEP workgroup developed a list of key objectives for 2005. The STEP workgroup plans to meet again in December to begin developing a detailed work plan. Participants on the STEP workgroup include payers, providers, and practitioners.

Electronic Health Record Initiative

Staff attended a Maryland/D.C. Collaborative (Collaborative) meeting on the development of technical specifications for an electronic health record (HER). The Collaborative consists of practitioners, hospitals, and academic health systems. ARINC, a Maryland based technology firm, volunteered some limited resources to the Collaborative in documenting specifications for an electronic medical record vendor request for proposal. The Collaborative is currently seeking funding of the project through various grants and donations and is expected to meet again in January 2005.

PERFORMANCE & BENEFITS

Benefits and Analysis

Small Group Market
Comprehensive Standard Health Benefit Plan (CSHBP)
At the May 2004 meeting, Commission staff presented the carrier financial survey for the year ending December 31, 2003 along with Mercer's analysis of proposed benefit changes to the CSHBP. The staff report and recommendations on proposed changes to the Plan was presented at the September 2004 meeting. Staff recommended no changes to the Standard Plan except for technical changes to correct out-dated cross-references. The Commission unanimously approved the staff recommendation to make no changes to the Plan.

Limited Health Benefit Plan
In 2004, the Maryland General Assembly enacted SB 570, requiring the Commission to develop a Limited Health Benefit Plan (LHBP) that will be available to certain small employers beginning July 1, 2005. Along with meetings with interested parties and a public hearing, staff has been working with Mercer, its consulting actuary, as well as CareFirst and MAMSI, to develop alternative proposals that meet the statutory requirement of pricing the LHBP at 70% of the cost of the CSHBP as of December 31, 2003. Staff will present draft regulations for the proposed LHBP at the December meeting of the Commission. Upon approval, the draft regulations will be posted for the thirty day comment period.

Website
Commission staff has developed a website to be used as a guide for small business owners in their search for health insurance for their employees. This "Guide to Purchasing Health Insurance for Small Employers" is available on the Commission's website at: www.mhcc.state.md.us/smgrpmkt/index.htm. Commission staff has developed a bookmark describing information available on the small group website. This bookmark has been distributed to various interested parties, such as small business associations, Chambers of Commerce, the Maryland legislature, the Department of Labor, Licensing and Regulation, and the Department of Business and Economic Development. As a result of the initial mailing, many of these organizations have requested additional bookmarks to distribute to their constituents.

Health Savings Accounts
In December 2003, Congress passed the Medicare Prescription Drug, Improvement and Modernization Act, authorizing the offering of health savings accounts (HSAs) in conjunction with high deductible health plans. These plans became available to small employers in Maryland effective July 1, 2004 if carriers elect to develop and market them. The CSHBP regulations have been modified to accommodate this offering during the transition period (for contracts sold between July 1, 2004 and December 31, 2004) and may have to be further modified to accommodate additional federal guidelines in the future. Aetna began offering an HSA-compatible PPO product in Maryland's small group market in August 2004.

The National Association of Health Underwriters has added a new section to its website entitled, "Understanding Health Savings Accounts." The link also has been linked to the above-mentioned Commission website for small businesses. (http://www.nahu.org/consumer/HSAGuide.htm)

Study of the Affordability of Health Insurance in Maryland
The 2004 General Assembly enacted SB 131, requiring the Commission and the Maryland Insurance Administration to conduct a study of the affordability of private health insurance in Maryland. An interim report, including findings and recommendations from the study, is due by January 1, 2005. A draft of the interim report will be presented to the Commission at its December meeting. The final report is due by January 1, 2006.

Evaluation of Mandated Health Insurance Services (2004)
Pursuant to the provisions of §15-1501(f)(2) of the Insurance Article, *Annotated Code of Maryland,* Commission staff has requested that members of the House Health and Government Operations and Senate Finance Committees submit any proposals for mandated health insurance services that they would like included in the annual evaluation. As required under current law, the Commission must evaluate all mandates enacted or proposed by the General Assembly and new suggestions submitted by a member of the General Assembly by July 1st of each year. Three requests for mandate evaluation have been submitted by members of the General Assembly: to evaluate wraparound mental health services for children; to evaluate air ambulance services; and to evaluate smoking cessation coverage. The draft report will be presented to the Commission at its December meeting.

Legislative and Special Projects

Uninsured Project
DHMH, in collaboration with the MHCC and the Johns Hopkins School of Public Health, was awarded a $1.2 million State Planning Grant by the Health Resources and Services Administration (HRSA). HRSA is the federal agency that oversees programs to ensure access to care and improve quality of care for vulnerable populations. The one-year federal grant provides Maryland with substantial resources to examine the state's uninsured population and employer-based insurance market and to develop new models to make comprehensive health insurance coverage fully accessible to all Maryland residents.

Among the several activities, the grant has enabled DHMH and MHCC to conduct further analysis of existing quantitative data sources (Maryland Health Insurance Coverage Survey, MEPS-IC, and CPS), as well as collect additional data to help design more effective expansion options for specific target groups. In addition, focus groups with employers were conducted in order to better understand the characteristics of firms not currently participating in the state's small group market. A report summarizing the findings from the focus groups is available through a link on the Commission's website.

The grant team was awarded a one-year, no cost extension of the project timeline, with an interim report submitted to the Secretary of the Department of Health and Human Services (HHS) in November. DHMH has applied for another one-year, no cost extension to extend the grant activities to August 2005. During this period, DHMH will conduct a telephone survey of Medicaid recipients to clarify the discrepancy in data between the number of Medicaid enrollees listed in DHMH's administrative data and the number of Maryland Medicaid enrollees reported in the Census Bureau's Current Population Survey (CPS). MHCC staff is providing technical assistance. In addition to the Medicaid analysis, the remaining funding through the grant will be used for projects approved by the HRSA State Planning Grant administrative staff, such as (1) developing an outreach strategy for its Primary Care Waiver once it is approved by the Centers for Medicare and Medicaid Services (CMS); (2) providing funding for the analysis of the Maryland data from the Medical Expenditure Panel Survey – Insurance Coverage (MEPS-IC), as well as the layout design and printing of the report (please note that MHCC is taking the lead in

overseeing this project); (3) providing funding for modeling fiscal and other impacts of a statutory requirement that high-income individuals who do not purchase health insurance be subject to an income tax penalty; and (4) funding for an update to the Interim Report to HRSA and the Final Report due to HRSA in August 2005. The grant's supplemental funds that remain from the previous year total approximately $170,000 and are under the purview of the Department of Health and Mental Hygiene (DHMH), not the Maryland Health Care Commission.

The final report, due to HHS at the end of the contract period, must outline an action plan to continue improving access to insurance coverage in Maryland. A report outlining the options to expand coverage to Maryland's uninsured was delivered to the members of Maryland's General Assembly in February.

Patient Safety

Chapter 318 (HB 1274) of 2001 requires the Commission, in consultation with DHMH, to study the feasibility of developing a system for reducing preventable adverse medical events. A Maryland Patient Safety Coalition was initiated by the Delmarva Foundation and served as the Commission's sounding board for its activities related to patient safety. Three workgroups were formed: one to look at issues related to systems changes to be recommended; one to address current regulatory oversight and reporting requirements; and a third to discuss issues related to a proposed Patient Safety Center.

Commission staff released a request for proposal (RFP) to designate the Maryland Patient Safety Center (MPSC). The Maryland Hospital Association and the Delmarva Foundation have been selected to jointly develop and operate the MPSC. Both organizations have agreed to fund the Center for the first three years. The Health Services Cost Review Commission recently approved funding the MPSC during its first year ($762,500) through increased hospital rates. This amount is equivalent to fifty percent of the anticipated Center expenses and will be used in conjunction with funding from the MHA, Delmarva, and Maryland hospitals. A press conference announcing the designation was held on June 18, 2004 in Annapolis. Under the terms of the agreement, the Delmarva Foundation and the Maryland Hospital Association are required to submit semi-annual reports updating the status and progress of the MPSC. The first report was delivered to the Commission staff and was provided to the Commissioners in November. This report provides information on the MPSC's activities to date, including the arrangement of the governing structure and the staff; the formation of the advisory board, the recruitment of hospitals and nursing homes; data collection and analysis; and education (e.g., collaboratives).

"Prescription Drug Safety Act"

The Maryland Board of Pharmacy and the Board of Physicians recently requested that Commission staff participate in a Workgroup to study the issue of legibility of prescriptions and make recommendations for any statutory or regulatory changes needed to improve prescription legibility in order to enhance patient safety. HB 433, "Prescription Drug Safety Act", requires that prescriptions be legible and that the Secretary of Health and Mental Hygiene, in conjunction with the MHCC, the Board of Physicians, and the Board of Pharmacy, convene a workgroup of certain individuals specified in the bill. The Board of Pharmacy and the Board of Physicians are taking the lead on the study. They requested an extension of the study from November 2004 to November 2005; however, at the request of several legislators, an interim report will be provided to the Maryland General Assembly in March 2005 with a final report due August 30, 2005.

The study must include: (1) the appropriate content and format of a prescription; (2) the best means to inform and educate prescribers if changes in prescription format or content are enacted; (3) the appropriate time frame and procedures for implementation of any changes enacted; (4)

mechanisms for enforcement of any changes enacted; (5) the impact of any changes in the content or format of prescriptions on oral prescriptions; (6) whether pharmacists should be prohibited by statute from dispensing illegible prescriptions; and (7) the use and cost of computerized physician order entry and the feasibility of eliminating handwritten prescriptions after a specified date.

A meeting of the Workgroup was held on December 6th and included an overview of the study requirements and the next steps that the Workgroup will take.

Interim Staff Briefings
On September 15th, the Executive Director of the MHCC presented to the Senate Special Commission on Medical Malpractice Liability Insurance on the Commission's legislative mandate to study the feasibility of developing a patient safety system in Maryland. The Director of the Maryland Patient Safety Center (MPSC) also spoke about the purpose and proposed activities of the MPSC. On October 19th, the Executive Director also briefed the Governor's Task Force on Medical Malpractice on the same issue.

The Deputy Director of Performance and Benefits briefed the House Health and Government Operations Committee on the status of the Maryland Hospital Performance Evaluation Guide on September 21st. In addition, on October 5th, the Deputy Director of Performance and Benefits briefed the House Health and Government Operations Health Insurance Subcommittee and the Ways and Means Tax Subcommittee on the insurance status of Maryland residents, along with the number of individuals without health insurance. The subcommittee was especially interested reviewing the number of uninsured by income and employment status.

2005 Legislative Session
Members of staff have drafted a departmental bill for introduction during the 2005 legislative session to allow reasonable penalties to be applied to those entities that have failed to obtain a Certificate of Need (CON) or a required exemption when they were obligated under statute to do so and have proceeded with the project without Commission authorization. The proposed bill will also extend MHCC authority to impose reasonable penalties on entities that have received a CON but have not fulfilled required performance standards (i.e., a facility that was supposed to be constructed and operational by a certain date but has not opened, thus denying timely access to services to those in need). In addition, it will specify in law that monetary penalties imposed by the Commission may not exceed $1000 per violation for each day the violation continues and will specify the factors used to determine the amount of any fine. In addition, the bill will increase, for hospitals only, the capital expenditure threshold that requires a CON from $1.25 million (required to be adjusted for inflation – now stands at approximately $1.6 million) to $2.5 million (adjusted for inflation annually). Finally, the bill deletes outdated language referencing health service areas for local health planning agencies and updates the definition of a local health planning department to correspond with MHCC's procedural regulations governing the CON program.

Facility Quality and Performance

Nursing Home Report Card
Chapter 382 (SB 740) of 1999 required the Commission, in consultation with the Department of Health and Mental Hygiene and the Department of Aging, to develop a system to comparatively evaluate the quality of care and performance of nursing facilities. The web-based Nursing Home Performance Evaluation Guide is available through the Commission's website. The Guide includes a Deficiency Information page, data from the Minimum Data Set (MDS) and the MHCC

Long Term Care Survey, as well as an advanced search capability, allowing consumers to search by facility characteristics and certain services.

In addition to indicators selected by the Maryland Nursing Home Performance Evaluation Guide Steering Committee, the site also includes the quality measures that are reported on the CMS Nursing Home Compare Website. Inclusion of this information on the Maryland site provides consumers with the ability to obtain comprehensive information in one location. The CMS measures were enhanced in January 2004 and are now consistent with the consensus recommendations from the National Quality Forum. The fourteen enhanced quality measures build on the original ten measures and provide additional information to help consumers make informed decisions. The Web site was updated with the new measures on March 15, 2004.

Evaluation of the Nursing Home Guide

On August 25, 2003, the Commission contracted with the Lewin Group to perform an evaluation of the nursing home performance evaluation guide. The purpose of this procurement was to conduct interviews with consumers and discharge planners to test the Guide in real-time with respondents using computers. The objectives of the study included: (1) evaluating consumer/professional usage, preferences, and understanding of the Guide; (2) determining ease in navigating through the website; (3) developing recommendations to improve the Guide; and (4) recommending outreach strategies to increase the utilization of the Guide.

All interviews were completed in January 2004 and a draft report was presented to the Nursing Home Performance Evaluation Guide Steering Committee for review and comment. The Lewin Group presented the final report to the Commission at its April 2004 meeting. The Nursing Home Report Card Steering Committee is in the process of prioritizing the recommendations.

Nursing Home Patient Satisfaction Survey

The Commission also contracted for the development of a nursing home patient satisfaction survey or the recommendation of an existing tool that provides information for consumers that can be integrated into the Maryland Nursing Home Performance Evaluation Guide by: (a) reviewing and summarizing existing nursing home satisfaction surveys and implementation processes developed by the federal government, state agencies, other public organizations and private entities or organizations; (b) discussing the cost of administration for each approach; (c) identifying the strengths and weaknesses of the various approaches and indicating whether a similar approach is feasible in Maryland; (d) designing or modifying a survey tool; and (e) proposing a plan for administering the tool including estimated implementation costs and timelines.

A report that included a review of the literature and interviews with representatives from various states was presented to the Nursing Home Report Card Steering Committee at its January 2004 meeting for review and comment. The Nursing Home Performance Evaluation Guide Steering Committee met on March 26, 2004 and recommended that the Commission proceed with the self-administered family satisfaction survey and also pursue a pilot project in collaboration with the Agency for Healthcare Research and Quality (AHRQ) to pilot test the Nursing CAHPS tool for resident satisfaction.

An RFP for the family satisfaction survey was released on November 1, 2004. The deadline for receipt of proposals was extended to December 8, 2004. The Evaluation Committee will review submitted proposals by the end of December.

Nursing Home Patient Safety
The Steering Committee began discussion of nursing home patient safety measures that are appropriate for public reporting. The Committee was presented with an overview of the literature and activities in other states, as well as a list of ten common patient safety measures. The Steering Committee agreed that the Commission should begin with reporting health care facility-acquired infections and staffing as two indicators of safety.

Hospital Report Card
Chapter 657 (HB 705) of 1999 required the Commission to develop a performance report on hospitals. The required progress report was forwarded to the General Assembly. The Commission also contracted with the Delmarva Foundation, in partnership with Abt Associates, to: (1) analyze hospital data to develop appropriate indicators for inclusion in the Hospital Performance Evaluation Guide, and (2) design and execute a consumer-oriented website for the Guide. The initial version of the Hospital Performance Evaluation Guide was unveiled on January 31, 2002.

A new edition of the Hospital Guide was released in May 2003. The revised Guide included quality of care information specific to the treatment and prevention of congestive heart failure and community acquired pneumonia, including individual hospital rates, the state average, and the highest rate achieved by a hospital for each of the measures. The first sets of conditions were selected from the Joint Commission on Accreditation of Healthcare Organization's (JCAHO's) ORYX initiative, which collects quality of care information from hospitals in a method designed to permit rigorous comparisons using standardized evidence-based measures. The quality measures data were updated in June 2004 to include information from the third and fourth quarter of 2003. During this update, the time period for administering an antibiotic for pneumonia within a timely manner was reduced from eight hours to four hours. Additionally, the percent of patients receiving the recommended pneumococcal vaccination prior to discharge was added to the site. MHCC staff is preparing for the release of trend information for the initial quality measure sets.

The Hospital Guide continues to feature structural (descriptive) information and the frequency, risk-adjusted length-of-stay, and risk-adjusted readmissions rates for thirty-three high volume hospital procedures. DRG data were updated to include admissions occurring between December 1, 2001 and November 30, 2002 and were posted on the Website in November 2003. MHCC staff is in the process of preparing for the December 2004 release of the data.

New Core Measures
The MHCC Commissioners approved the release of a call for public comment regarding MHCC's intent to collect JCAHO's acute myocardial infarction (AMI) measures and to investigate obstetrical measures that may be suitable for public reporting. Public comments were received from July 1, 2003 through July 11, 2003. There were no comments submitted that precluded proceeding with the collection of the measures; therefore, hospitals were instructed to begin collection of AMI data effective October 1, 2003. The fourth quarter 2003 AMI pilot data was provided to the hospitals for review on June 7, 2004. The Hospital Performance Evaluation Guide Steering committee met in July 2004 and determined that six new AMI measures will be publicly reported beginning in January 2005.

Obstetrics Measures
The Commission also convened an Obstetrics Workgroup to examine potential structure, process, and outcome measures that are appropriate for public reporting via the Guide. The workgroup met three times and developed an initial set of forty-two recommended elements which were forwarded to the Hospital Performance Evaluation Guide Steering Committee for approval. The

Commission's contractor, Delmarva Foundation, subsequently extracted the data for each of the elements using the HSCRC data base. The obstetrical data, along with an obstetrical services survey, was sent to each hospital for review. Several Web pages were then developed to display the data. A press conference was held on May 13, 2004 to roll out the revised Guide. MHCC and HSCRC Commissioners, representatives from DHMH, legislators, providers, and consumers participated in the event. The obstetrics information will be updated in January 2005.

Redesign and Expansion of the Hospital Guide

On August 25, 2003, the Commission contracted with the Lewin Group to perform an evaluation of the hospital performance guide. The purpose of this procurement was to conduct interviews with consumers, primary care physicians, and emergency department physicians to test the Guide in real-time with respondents using computers. The objectives of the study included: (1) evaluating consumer/professional usage, preferences, and understanding of the Guide; (2) determining ease in navigating through the website; (3) developing recommendations to improve the Guide; and (4) recommending outreach strategies to increase the utilization of the Guide.

All interviews were completed in January 2004 and a draft report was presented to the Hospital Performance Evaluation Guide Steering Committee for review and comment. T he Lewin Group presented the final report to the Commission in April 2004.

The Hospital Report Card Steering Committee met in July 2004 to begin the redesign process. During this meeting, the Committee approved four major areas of expansion: inclusion of composite measures and mortality data, use of different symbols, and development of a hospital compare function.

The Committee met on October 12, 2004 at the University of Maryland in Baltimore County for a discussion of detailed redesign issues, facilitated by TechWrite, Inc., a subcontractor of Delmarva Foundation. The Committee agreed to a design that would specify portals for three major users: prospective patients, hospital leaders, and hands-on providers. Understanding that each audience has different information requirements, the portals would serve as an entry point to targeted content, presentation, and language. The redesign work will begin in January 2005.

Patient Safety Public Reporting Workgroup

The goal of the Workgroup is to explore patient safety indicators that can be obtained from administrative data and then progress to other measures. The workgroup reconvened in October 2004. Staff presented preliminary AHRQ patient safety indicators and the workgroup recommended the availability for private viewing by hospitals while the Committee evaluates which indicators will be appropriate for public reporting.

Recommendations for publicly reporting healthcare acquired infections were made. The plan proposes to expand the Guide to include information on health care associated infections (HAI) – including both process and outcome measures. MHCC will work with the CDC, CMS, Patient Safety Center, and the Maryland Office of Epidemiology and Disease Control Programs on infection definitions, measurement, and collection. The Commission approved the release of a call for public comment regarding the proposed HAI public reporting plan at its November meeting. The comment period ended December 7th. Upon approval by the Commission, the Hospital Guide Steering Committee will work with staff to develop an implementation plan.

Additionally, the group has recommended that information regarding the availability of Intensivists in the ICU and progress toward computerized physician order entry (CPOE) be included on the Web site. The Committee members realize that there are varying definitions of

CPOE and that some of the definitions may not be appropriate for use at the current time; therefore, careful consideration will be given to components selected for reporting. Questions regarding Intensivists and CPOE were included with the hospital "Facility Profile Information" distributed in October.

Staff will continue to work with the HSCRC, AHRQ, and others to produce data reports for committee review. Lastly, the workgroup recommended that the JCAHO patient safety measures be reported when they become available, either by linking to the JCAHO report or adding the data to the Maryland Guide directly.

Patient Satisfaction Project

MHCC participated in a three-state hospital public reporting pilot project initiated by CMS. The Hospital Report Card Steering Committee served as the steering committee for the pilot. The Committee serves as the primary vehicle for obtaining input and consensus prior to initiating the state specific activities.

The Maryland Performance Evaluation Guide Steering Committee received a briefing on the pilot results during the January 27, 2004 meeting and agreed that Maryland should pursue the use of the tool to collect patient satisfaction data for the *Maryland Hospital Performance Evaluation Guide*. MHCC staff then met with representatives of CMS and AHRQ to discuss an additional pilot of the tool. A proposal with a complete study design was submitted to AHRQ on April 6, 2004 to request permission to use the HCAHPS tool.

MHCC received approval to use the revised HCAHPS tool in another pilot that began in October 2004. MHCC received hospitals' submissions of four months of discharge data at the beginning of November 2004. Surveys were sent to the sample of patients drawn from the forty-seven acute care hospitals in Maryland. Pediatric and other specialty hospitals (e.g., cancer facilities) were excluded.

An average of 220 surveys per hospital was sent to the selected participants in an effort to obtain 100 completed surveys by mail or telephone. Discharges will be classified as medical, surgical, or obstetrics services based on the DRG code. The surveys will be randomly distributed across patients discharged from the hospital for medical, surgical, or obstetrics services (total=4,700 surveys for the state).

Other Activities

The Facility Quality and Performance Division is also participating in the planning process for a new HSCRC Quality Initiative designed to evaluate and recommend a system to provide hospitals with rewards and/or incentives for high quality care. Staff attends the HSCRC Quality Initiative Steering Committee meetings on an ongoing basis. The draft report of the HSCRC Steering Committee was also presented to the Hospital Performance Evaluation Guide Steering Committee in January 2004 for review and comment. HSCRC is in the process of selecting members to serve on various workgroups. MHCC staff has been involved with the selection process.

Ambulatory Surgery Facility Report Card

Chapter 657 (HB 705) of 1999 also required the Commission to develop a performance report for Ambulatory Surgery Facilities (ASFs). The Commission developed a web-based report that was also released in May 2003. The 2003 data have been added to the site. The website contains structural (descriptive) facility information including the jurisdiction, accreditation status, and the number and type of procedures performed in the past year. The site will also include several consumer resources.

An ASF Steering Committee was convened to guide the development of the report and consists of representatives from a multi-specialty facility, a large single specialty facility, an office based facility, a hospital based facility, and a consumer representative. An exploratory meeting was held with a subset of this group. Subsequently, the Steering Committee members provided input on several of the proposed web pages including a consumer checklist, glossary, and list of resources. The committee is scheduled to reconvene in January 2005 to review recent developments in quality improvement and patient safety in ambulatory surgery facilities.

HMO Quality and Performance

Distribution of HMO Publications

Cumulative distribution: Publications released 9/27/04	**9/27/04 to 11/30/04**	
	Paper	**Electronic Web**
Measuring the Quality of Maryland HMOs and POS Plans: 2004 Consumer Guide (22,000 printed)	17,808	Visitor sessions = 1,223
2004 Comprehensive Performance Report: Commercial HMOs & Their POS Plans in Maryland (600 printed)	526	Visitor sessions = 523
Measuring the Quality of Maryland HMOs and POS Plans: 2004 State Employee Guide— 50,000 printed and distributed during open enrollment		

7th Annual Policy Report (2003 Report Series) –
Released January 2004; distribution continues until January 2005

Maryland Commercial HMOs & POS Plans: Policy Issues (1,000 printed)	714	Visitor Sessions = 908

Distribution of the 2004 *Consumer Guide* reached almost 700 copies during November in response to outreach activities conducted by staff during October. Distribution was further influenced when staff attended the open-enrollment fair at the Federal Office of Personnel Management in Washington, DC on November 10th. No less than 175 attendees included the *Consumer Guide* and performance evaluation bookmarks among the materials they collected at this event. Large disbursements came from varied organizations. The Federal Department of Agriculture requested and received 100 copies. A large, multi-specialty provider in Rockville, Maryland requested and received 200 copies. The Retired Workers Council of the Communication Workers of America requested 50 copies for distribution to members.

During fall outreach, staff mailed samples of the *Consumer Guide* and order forms to forty-one large employers, most of which are located in central Maryland. An accompanying letter explained the value of the *Guide* to employees when they need to choose a health care plan and invited the company to order free copies from the Commission. The industries included, but were not limited to, legal, banking, insurance, education, health care, aerospace, property management,

wholesale, manufacturing, and accounting. Most of the firms contacted were known to have fall open enrollments and to offer their employees an HMO, a POS plan, or both.

HEDIS Audit Activities
HealthcareData.com (HDC), the Commission's contractor for the HEDIS audit, completed all deliverables for the 2004 audit season and satisfied all requirements of the contract which is set to expire at the end of December. Once the contract for these services has been awarded for 2005-2006, staff will communicate the final reporting requirements which summarize the new and established HEDIS measures, Maryland-specific measures, and individual plans meeting criteria to report on their performance to the winning bidder. Staff reviewed enrollment and premium information supplied in an annual report from the MIA to determine which HMOs met the criteria. Plans, vendors, and other interested parties had an opportunity to contribute feedback on the preliminary reporting requirements during the public comment period (November 23—December 14, 2004). Commissioners will take final action on revised requirements for HMOs reporting in 2005 and preliminary requirements for reporting in 2006 during the December meeting.

Consumer Assessment of Health Plan Study (CAHPS Survey)
Synovate, the CAHPS vendor, completed the final deliverable of its contract in July. Like the HEDIS audit contractor, all core requirements stipulated in the original contract have been satisfied. Staff submitted for NCQA approval all supplemental questions developed by MHCC planned for inclusion in the 2005 survey instrument. In response to the flu vaccine shortage, a supplemental question has been developed to collect additional information about member experiences in obtaining this inoculation. In preparation for possible inclusion in the tool, staff has also submitted this question for NCQA approval. Transmittal letters and associated correspondence have been drafted and will also receive NCQA approval before staff releases the material to the winning survey contractor for the 2005-2006 contract period.

Report Development—2004 Report Series
MHCC staff continues to work with NCQA in creating the *Policy Issues* report. The design and layout will match the features used in the *Consumer Guide*. Division staff provided the contractor with a detailed list of content changes and targeted issues. Creation of this final report is on schedule. Release of it will coincide with the opening of the General Assembly in January 2005.

Procurement – HEDIS and CAHPS
Two Requests for Proposals (RFPs) submitted by the HMO Quality & Performance Division received approval from the Department of Budget and Management. The RFPs are for: 1) the administration of the 3.0H CAHPS Survey of adult members of Maryland commercial HMOs and 2) the auditing of HEDIS data. The two contracts that will result from these competitive bid processes are set to begin in 2004, with deliverables scheduled for calendar 2005. Proposals were due by November 30th. Evaluation committees are in the process of reviewing proposals and making recommendations for a selected vendor for each contract.

HEALTH RESOURCES

Certificate of Need

Staff issued nine determinations of non-coverage by Certificate of Need (CON) review during November. The following received determinations of non-coverage by CON review for proposed capital expenditure projects: Potomac Ridge Behavioral Health at Anne Arundel, for renovations to its existing building to create a specialized treatment area for residents in need of a higher level of treatment, at a cost of $3,500; and Prince George's Hospital Center (Prince George's County) for a $4,025,000 renovation to the infrastructure of the hospital including roofing, HVAC, electrical and engineering projects, pursuant to its pledge not to raise rates for the hospital debt service.

In licensure-related activities, Devlin Manor Health Care Center in Allegany County received authorization for the temporary delicensure of twenty comprehensive care beds; and Rock Glen Nursing and Rehabilitation Center of Baltimore City received Commission authorization to relicense five of ten temporarily delicensed beds, for a total of 115 beds at the facility.

Other determinations of non-coverage by CON review were issued to: Baltimore Pain Management Center, PA (Baltimore County) for the establishment of an ambulatory surgery center with one non-sterile procedure room; Eye Surgical Center Associates of Baltimore (Baltimore County) for the addition of podiatric surgery to the specialties available from the facility; Central Maryland Endoscopy, LLC in Howard County, for the establishment of an ambulatory surgery facility with two non-sterile procedure rooms in Elkridge, Maryland; Salisbury Uro Surgery Center, LLC in Wicomico County, for the establishment of two non-sterile procedure rooms to be located on Division Street in Salisbury, Maryland; and Peninsula Endoscopy Center, LLC (also in Wicomico County) to establish an ambulatory surgery facility with four non-sterile procedure rooms to be located on North Highway in Delmar, Maryland.

Acute and Ambulatory Care Services

Changes to COMAR 10.24.12, the State Health Plan for Facilities and Services for Acute Hospital Inpatient Obstetric Services, were approved as proposed permanent regulations by the Commission at the October 19, 2004 Commission meeting. Notice of the proposed action was published in the *Maryland Register* on November 29, 2004. Following a thirty day public comment period, the Plan chapter will be presented to the Commission for final action.

Holy Cross Hospital submits monthly reports to the Commission on the status of its construction project pursuant to the March 2004 approval of the modification to the hospital's Certificate of Need. The purpose of these reports is to advise the Commission about any potential changes to the terms of the modified CON, including changes in physical plant design, construction schedule, capital costs and financing mechanisms. The hospital's December update reports no changes to the project cost, the design, or the financing of this project.

Long Term Care and Mental Health Services

Staff of the Long Term Care Division represented the Commission at the first meeting of the Office of Health Care Quality's Community-Based Health Services Forum on November 30, 2004. The purpose of this group is to review the regulations for all home-based health services

including, but not limited to: home health agencies, residential service agencies, nurse staffing agencies, nursing referral service agencies, and hospices. While the Commission regulates only home health agencies and hospices among these services, it is important that the Commission be represented on this group. Staff of the Commission also participated in a 1998 Advisory Committee chaired by the Office of Health Care Quality (then Licensing and Certification Administration). The group will meet during this year (2004-2005) and might consider drafting legislation for the 2006 legislative session.

Commission staff held the final conference call with Social and Scientific Systems and Mathematica Policy Research on November 30th to review the work done by these consultants on a regression analysis to project nursing home bed need. This work will be incorporated into a review of various approaches to projecting the need for nursing home beds in Maryland.

Under SB 732 of the 2003 legislative session, the Commission is required to collect its own data from hospices statewide rather than relying on any other data collection. With the completion of the 2003 data collection, the Commission created a public use data set for hospice data. This was available on the Commission's website as of November 22, 2004. Work now continues on developing the 2004 hospice survey.

Staff members of the Long Term Care Division are responding to a data request from Medicaid to assess the source of admission of Medicaid nursing home residents using the Minimum Data Set (MDS) data.

Specialized Health Care Services

At a meeting held on September 14, 2004, the Commission proposed to amend its regulations governing data reporting by hospitals (COMAR 10.24.02). Notice of the proposed action was published in the *Maryland Register* on October 29th. The Commission provided an opportunity for the public to submit comments on the proposed regulations until December 6th. The Commission received no public comments during that period. The Commission will consider final action on this proposal at its January 27, 2005 meeting.

On November 15th, the Primary Percutaneous Coronary Intervention (PCI) Data Work Group completed its preliminary recommendations on data collection forms and instructions for use in a pilot test. The Work Group will review the results of the pilot test and feedback received from the participants before submitting final recommendations to the Commission.

On November 18th, the Steering Committee of the Advisory Committee on Outcome Assessment in Cardiovascular Care reviewed and endorsed the recommendations in the draft final reports of the subcommittees on Long Term Issues and Quality Measurement and Data Reporting. The Steering Committee also discussed implementation of the recommendations in the Advisory Committee's *Final Report on Interventional Cardiology*, which the Commission accepted on June 19, 2003. Members of the Subcommittee on Long Term Issues had submitted comments on a draft report summarizing the subcommittee's findings and recommendations by February 18, 2004 and the document reviewed by the Steering Committee reflected those comments. Commission staff requested that members of the Subcommittee on Quality Measurement and Data Reporting forward any comments on that draft report to the staff by December 3rd.

Released by the Commission in November, the *Statistical Brief on Acute Inpatient Rehabilitation Services* is available at http://www.mhcc.state.md.us/rehabilitation/rehabstatbrief04.pdf. This brief is one of a series designed to provide data annually for monitoring the availability and

utilization of certain health care resources in compliance with the Commission's State Health Plan for Facilities and Services.

At the Commission meeting on December 16th, staff will present the second annual *Statistical Brief on Cardiac Surgery and Percutaneous Coronary Intervention Services* for release to the public. This brief includes the most recent annual data available on cardiac surgery and PCI services in the Regional Service Areas established by the Commission.